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E.O. 12958: DECL: 06/16/2029  
TAGS: [PREL](#) [ELTN](#) [ETRD](#) [IR](#) [KS](#)  
SUBJECT: ROK-IRAN TRANSPORTATION MOU IN PROVISIONAL STAGE;  
ROKG SEEKS USG VIEWS

REF: EMB-EAP/K OI 06/15/09

Classified By: A/POL Brian D. McFeeters. Reasons 1.4 (b/d).

[¶1](#). (S) Summary: On June 16, MOFAT shared with us the draft text of the MOU the Iranian Ministry of Road and Transport has proposed to the Korean Ministry of Land, Transport and Maritime Affairs on "Cooperation in the Construction of Transport Infrastructures." The ROKG first informed us on June 15 of the draft MOU (ref). MOFAT said it was therefore surprised at the high-level attention its early heads-up had received in Washington. The current draft MOU text is not/not final and the ROKG would welcome USG views. ROK-Iranian diplomatic relations, established in 1962, are almost entirely based on energy and business; the ROK imports 8 percent of its oil from Iran. The ROKG has rejected four other Iranian proposed agreements, is considering two others (on Mutual Assistance in Criminal Matters, and an extradition treaty), and signed a tourism cooperation MOU in January [¶2009](#). End Summary.

[¶2](#). (S) On June 15, citing South Korea's policy of cooperation and close consultation with the USG, MOFAT's Iran desk officer gave poloff a heads-up on a draft Memorandum of Understanding (MOU) on "Cooperation in the Construction of Transport Infrastructures" that Iran's Ministry of Road and Transport had proposed to the ROK Ministry of Land, Transport and Maritime Affairs of the Republic of Korea (ROK) on May [¶12](#). In a follow-up meeting on June 16, MOFAT Director for the Middle East Division I, Kwak Sung-kyu, provided a copy of the draft MOU (see para 4). Director Kwak emphasized the following points, later reiterated by Deputy Minister Lee Yong-joon in a separate conversation with A/DCM:

- MOFAT underscored that the draft MOU is still at an early stage of discussion. The ROKG and Government of Iran (GOI) have not agreed on the final text; the document has not been signed and, if it were, it would not be binding.

- The draft MOU was largely pro forma, similar to other MOUs and agreements between the ROKG and other countries. The ROKG was therefore surprised by the high-level attention it had received in Washington.

- The ROKG confirmed that it would take U.S. views toward Iran into full consideration and would welcome consultations with the USG.

[¶3](#). (S) The GOI first mentioned its interest in cooperating with the ROKG on transportation infrastructure when the ROK Ambassador in Tehran paid a courtesy call on the Iranian Minister of Road and Transport in May 2009. On May 12, the ROKG received a draft MOU text from the GOI. On June 8, the ROKG responded with a revised draft (see para 4).

[¶4](#). (S) Begin text:

Memorandum of Understanding between the Ministry of Land,  
Transport and Maritime Affairs of the Republic of Korea

and the Ministry of Road and Transport of the Islamic Republic of Iran on Cooperation in the Construction of Transport Infrastructures

The Ministry of the Land, Transport and Maritime Affairs of the Republic of Korea and the Ministry of Road and Transport of the Islamic Republic of Iran ("the Sides") have agreed as follows in order to promote cooperation between the two countries in construction of transport infrastructures.

#### Paragraph 1 Objective

The objective of this Memorandum of Understanding ("the Memorandum") is to promote mutual benefits by sharing policies, technologies, and experiences in construction of transport infrastructures, including railways, and by encouraging participation (including investments in transport infrastructures) of companies of both countries in related construction projects.

#### Paragraph 2 Scope of Cooperation

The Sides will cooperate in construction of roads, railways, aviation, and other transport infrastructures.

#### Paragraph 3 Forms of Cooperation

Cooperation between the Sides will take the following forms:

- a) Joint researches and exchanges of information on government plans, laws and regulations, and updated data relating to construction of transport infrastructures;
- b) Stimulating interchanges of personnel (relevant government officials, specialists, and technical experts) and holdings of related meetings;
- c) Providing support to companies of both Sides in their entrances into the transport infrastructure construction market of the other country; and
- d) Other forms of cooperation mutually agreed by the Sides.

#### Paragraph 4 Implementation

- 1) Aiming to realize the objective of this Memorandum, the Sides will strongly encourage direct contacts between both public and private sector organizations and support the conclusion of cooperation programs between such organizations.
- 2) The Sides will encourage and assist private companies of both sides to form direct and friendly relations.
- 3) The Sides may hold working level experts' meetings participated by government officials, experts and private companies at a venue and time to be decided by the Sides in order to exchange information and to discuss forms of cooperation.
- 4) Unless agreed otherwise by the Sides, each Side will bear its own expenses incurred for the cooperative activities under this Memorandum.

#### Paragraph 5 Entrance into Effect and Termination

- 1) This Memorandum will take effect from the date of its signature.
- 2) A Side that intends to terminate this Memorandum will give the other Side a written notice ninety (90) days in advance of the intended date of termination, and, in this case, the Memorandum will cease to be effective from the intended date of termination.
- 3) This Memorandum may be amended upon mutual written consent of the Sides.
- 4) This Memorandum does not create any enforceable legal

obligations under international laws.

Signed in duplicate in/on (TBD) 2009 in the English language.

(Signed in duplicate in/on (TBD) 2009 in the English, Korean, and Farsi languages, each version being equally valid. In the case of differences in interpretation, the English language version shall prevail.)

(Signature Line) For the Ministry of Land, Transport and Maritime Affairs of the Republic of Korea

(Signature Line) For the Ministry of Road and Transport of the Islamic Republic of Iran

End Text

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ROK-Iran Basic Facts  
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¶5. (SBU) ROK-Iran diplomatic relations were established in 1962. Iran is South Korea's fourth largest source of crude oil, providing 8.4 percent of total oil imports in 2008. (South Korea imports 97 percent of its primary energy needs.) There have been no Cabinet-level visits from the ROK to Iran since February 2004. ROK exports to Iran declined by 40 percent during the first four months of 2009 compared to the same period in 2008. Iranian imports to South Korea also fell by 36 percent in the same period.

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Iran-Proposed MOUs Refused by ROKG  
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¶6. (C) Recently, MOFAT informed us, the ROKG has refrained from accepting a number of Iranian proposals for MOUs in consideration of ongoing USG efforts to deal with the Iranian nuclear challenge and the MOUs, potential conflicts with international and other sanctions. The proposed MOUs included:

- MOU on energy cooperation (proposed by GOI in July 2007)
- MOU on financial accounts (proposed by GOI in 2008)
- MOU on media cooperation (proposed by GOI in January 2009)
- MOU on oil storage cooperation (proposed by GOI in January 2009)

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ROK-Iran MOUs Signed or In Progress  
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¶7. (C) The ROKG has signed, or is currently engaged in discussions on, the following agreements and MOUs with the Iranian government:

- Treaty on Mutual Assistance in Criminal Matters between the ROK and Iran: not yet signed (proposed by GOI in December 2008)
- Treaty on Extradition between the ROK and Iran: not yet signed (proposed by GOI in December 2008)
- MOU on Tourism Cooperation Ministry of Culture, Sports and Tourism of the ROK and the Cultural Heritage, Handicrafts and Tourism Organization of Iran (non-binding): signed in January 2009 (proposed by GOI)
- MOU on Cooperation in the Construction of Transport Infrastructures between the Ministry of Land, Transport and Maritime Affairs of the ROK and the Ministry of Road and Transport of the GOI (non-binding): currently under preliminary discussion (proposed by GOI in May 2009)

18. (C) Comment: The ROK-Iranian relationship is almost entirely based on energy and business. In general, the ROKG has been highly mindful of the risk of dual-use technology exports to Iran and remains sensitive to proliferation concerns. The ROKG is also sensitive, however, to what Iran's other trading partners are doing and steps that might jeopardize South Korea's flow of oil.  
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